

# REMUNERATION REPORT OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF SFC ENERGY AG

In accordance with Section 162 of the German Stock Corporation Act (AktG), this Remuneration Report presents and explains the remuneration of the current and former members of the Management Board and the members of the Supervisory Board of SFC Energy AG in financial year 2022.

The Remuneration Report is to be formally audited by the auditor of SFC Energy AG, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, in accordance with Section 162 (3) of the German Stock Corporation Act (AktG). The opinion issued by the auditor on the basis of this audit will be attached to the Remuneration Report as part of the public disclosure on the company's website in accordance with Section 162 (4) of the German Stock Corporation Act (AktG).

## Management Board Remuneration System pursuant to Section 87a (1) AktG

In accordance with the requirements of Section 87a (1) AktG, the Supervisory Board resolved a new remuneration system for the Management Board in financial year 2021 and submitted this to the Annual General Meeting for approval on May 19, 2021. The Management Board remuneration system was approved by the Annual General Meeting as presented with an approval rating of 80%. The new remuneration system for the Management Board and Supervisory Board approved by the 2021 Annual General Meeting can be found at: <https://www.sfc.com/investoren/corporate-governance/>.

## Remuneration received in reporting year 2022 partly under the previous remuneration system

Part of the remuneration granted in the reporting year 2022, however, was still based on the previously existing contractual arrangements that still applied (existing remuneration system), but largely correspond to the remuneration system approved by the Annual General Meeting in 2021. Two Management Board contracts still have terms until 2024 and are therefore not (yet) covered by the new remuneration system from 2021 (cf. Section 26 j (1) sentence 3 EG of the German Stock Corporation Act (AktG)).

## Target remuneration for financial year 2022

In accordance with the respective relevant Management Board service contracts, the Supervisory Board determined the target total remuneration for each Management Board member for financial year 2022. To promote the transparency of this report, the following table show the individual target remuneration per Management Board member and the relative shares of the individual remuneration elements in the target total remuneration for financial year 2022. These figures are therefore not the remuneration amounts granted and owed in financial year 2022, however (see below under "Management Board remuneration granted and owed"), but rather a presentation of the target total remuneration of an Management Board member for reporting year 2022, which is made up of the sum of all fixed and variable remuneration components for the reporting year.

**TARGET TOTAL REMUNERATION FOR THE MANAGEMENT BOARD**

in EUR

Management Board members in office as of Dec. 31, 2022		Peter Podesser		Daniel Saxena		Hans Pol	
		2022	in % TTR	2022	in % TTR	2022	in % TTR
<b>Fixed remuneration</b>	Basic remuneration	370,000	44.3%	240,000	34.6%	249,996	48.7%
	+ Fringe benefits <sup>1</sup>	14,490	1.7%	24,000	3.5%	27,970	5.5%
	Contribution to provident fund	10,000	1.2%	0	0.0%	0	0.0%
	<b>Total</b>	<b>394,490</b>	<b>47.3%</b>	<b>264,000</b>	<b>38.1%</b>	<b>277,966</b>	<b>54.2%</b>
<b>Variable remuneration</b>	+ Short-term variable remuneration						
	Target bonus for the financial year <sup>1</sup>	220,000	26.4%	110,000	15.9%	150,000	29.2%
	+ Long-term variable remuneration						
	SARs <sup>2</sup>	0	0.0%	319,096	46.0%	0	0.0%
	Stock options ("MSOP") <sup>3</sup>	219,854	26.4%	0	0.0%	85,218	16.6%
	<b>Total</b>	<b>439,854</b>	<b>52.7%</b>	<b>429,096</b>	<b>61.9%</b>	<b>235,218</b>	<b>45.8%</b>
<b>Total remuneration</b>	= Target Total Remuneration ("TTR")	<b>834,344</b>	<b>100.0%</b>	<b>693,096</b>	<b>100.0%</b>	<b>513,183</b>	<b>100.0%</b>

<sup>1</sup> The value corresponds to the variable bonus for reporting year 2022 for 100% target achievement.

<sup>2</sup> For the SARs allocated under the Daniel Saxena Program 5 (2020-2024), which also serve as long-term variable remuneration for reporting year 2022, the value of the SARs from this program is recognized for the purposes of the presentation of the target remuneration in this table in accordance with the fair value as of the reporting date December 31, 2022, for the corresponding tranche for the year 2022.

<sup>3</sup> The share options granted under the Dr. Podesser Share Option Program 2020-2024 in 2020 and the Hans Pol Share Option Program 2021-2025 in 2021 also serve pro rata as long-term variable remuneration for reporting year 2022. For the purpose of presenting the target remuneration in this table, the value of the share options granted under these programs is recognized in accordance with their fair values as of the reporting date December 31, 2022, for the corresponding tranches for the year 2022.

## Determination of the remuneration of the Management Board by the Supervisory Board

The Supervisory Board determines the remuneration of the Management Board in accordance with AktG requirements. It pays particular attention to its appropriateness. To ensure the appropriateness of the remuneration, remuneration levels are subjected to a market comparison with comparable entities (horizontal comparison). The peer group last used by the Supervisory Board in 2021 consisted of relevant companies with regard to size and/or sector or industry from the SDAX / TecDAX and companies from the hydrogen sector. In order to ascertain whether remuneration is in line with usual levels within the company itself, when setting the Management Board remuneration, the Supervisory Board also takes the relationship between Management Board remuneration and the remuneration of Managing Directors and/or the top management level of the individual companies in the Group and the workforce as a whole into account, and how remuneration has developed over time.

## Components of Management Board Remuneration in Reporting Year 2022

The remuneration of the members of the Management Board in reporting year 2022 consisted of the components described below in reporting year 2022:

### Basic Remuneration

The members of the Management Board received a fixed annual salary, which was paid in twelve equal monthly installments. The level of the basic remuneration is determined based on the responsibility and experience of the respective member of the Management Board.

The members of the Management Board also received certain marketstandard fringe benefits. For example, the company provides a company car to each member of the Management Board or pays a vehicle allowance if the Management Board member does not use a company car. In addition, fringe benefits include premiums for pension, accident and life insurance policies for the members of the Management Board as well as subsidies for health insurance. In the year under review, the fringe benefits also included the one-time flat-rate energy fee.

## Retirement Benefits

In the reporting year 2022, the Management Board members were able to convert current basic remuneration of up to EUR 25,000 into a company pension by paying contributions to external pension providers. To date, this option has not been used.

Dr. Podesser has a contributionbased payment commitment via a support fund. In the event of a pension claim, the support fund will pay the agreed pension benefits to Dr. Podesser. The company allocates the necessary funds to the support fund. The amount of the pension benefits depends on the actuarial implementation of the pension amount resulting from the individual agreement reached with Dr. Podesser. The pension benefits are reinsured by a life insurance policy. Dr. Podesser will receive a lifelong monthly retirement pension from the support fund if he leaves the company's service after reaching the age of 65. If Dr. Podesser draws the full amount of his retirement pension from the statutory pension insurance scheme, or if he leaves the company's service after reaching the age of 60 in order to retire, he may claim the pension benefit from that time onwards. In this case, Dr. Podesser will receive the pension benefits that can be financed from the portion of the support fund assets set aside for him at that time. Upon occurrence of a pension claim, a one-time lump sum payment may be requested instead of the retirement pension in agreement with the support fund. In the event of Dr. Podesser's death, a survivor's pension has been agreed.

## Short-Term Variable Remuneration / Performance-Related Bonus for Reporting Year 2022

In the event that certain performance targets are achieved, the members of the Management Board have the opportunity to receive a variable remuneration ("bonus") that rewards their contribution to implementing the business strategy during the financial year. The bonus for the respective financial year is not set by the Supervisory Board, and does not become due until the following financial year. The bonus for the reporting year 2022 will therefore not be reported as remuneration granted (actually paid) /due (due but not paid) until financial year 2023.

The bonus for the reporting year 2022 is measured according to four performance criteria equally weighted at 25%.

The following financial parameters were set with regard to the reporting year: Budget target achievement for (i) consolidated sales (based on the budgeted exchange rate for the Canadian dollar to the euro), (ii) gross margin, and (iii) adjusted EBITDA (each weighted at 25%). In the context of the discretionary component (weighted at 25% in total), financial or non-financial performance criteria or a combination of both can be set. The Supervisory Board applied the following defined non-financial performance criteria (incl. ESG targets) for financial year 2022 and assessed them from a qualitative, overall perspective: For Dr. Peter Podesser and Daniel Saxena, the implementation of an Environmental Social Governance (ESG) and Corporate Social Responsibility (CSR) program and Report, for Hans Pol and Daniel Saxena, the implementation of a long-term cyber-security strategy and systems, and for Dr. Peter Podesser and Hans Pol, long-term business development with the aim of offe-

ring a full range of hydrogen fuel cell products. The performance criteria underlying the bonus for reporting year 2022 are summarized in the table below to promote the transparency of the report. The STI amount actually achieved will not accrue until the year 2023 and will therefore not be reported until the next Remuneration Report.

**PERFORMANCE CRITERIA FOR THE SHORT-TERM VARIABLE REMUNERATION OF THE MANAGEMENT BOARD MEMBERS** in TEUR  
FOR FINANCIAL YEAR 2022

Management Board member		Target Achievement		Bonus in EUR thousand		Actually Achieved			
		Weight	Min.	Max.	Min.	Max.	Target Achievement	Total Target Achievement	Total Bonus in EUR thousand
<b>Peter Podesser</b>	Revenue (budgeted)	25%	0%	125%	–	69	103%		
	Gross profit (budget)	25%	0%	125%	–	69	103%		
	EBITDA adjusted (budgeted)	25%	0%	125%	–	69	116%		
	Implementation of an Environmental Social Governance (ESG) / Corporate Social Responsibility (CSR) program and Report; Long-term business development with the aim of offering a full range of hydrogen fuel cell products;							109%	239
<b>Daniel Saxena</b>	Revenue (budgeted)	25%	0%	125%	–	34	103%		
	Gross profit (budget)	25%	0%	125%	–	34	103%		
	Adjusted EBITDA (budgeted)	25%	0%	125%	–	34	116%	109%	119
	Implementation of an ESG or CSR program and Report Long-term cybersecurity strategy or the implementation of the respective systems								
<b>Hans Pol</b>	Revenue (budgeted)	25%	0%	125%	–	47	103%		
	Gross profit (budget)	25%	0%	125%	–	47	103%		
	Adjusted EBITDA (budgeted)	25%	0%	125%	–	47	116%	109%	163
	Long-term cybersecurity strategy or the implementation of the respective systems Long-term business development with the aim of offering a full range of hydrogen fuel cell products								

### Short-Term Variable Remuneration Granted / Performance-Related Bonus Granted in Reporting Year 2022

The performance criteria shown in the table below are based on the short-term variable remuneration granted in reporting year 2022; they were determined for financial year 2021. The financial performance criteria are the same as those applicable for financial year 2022 (each with a 25% weighting). The non-financial performance criteria, which are included in their entirety with a weighting of 25% in the assessment of the short-term variable remuneration, consisted of: Implementation of strategic objectives (further development of target customer markets, broadening of the industrial partner base, regional expansion), employee retention (creation and preservation of attractive jobs), adherence to high quality standards, maintenance of a stable shareholder base with a long-term orientation, and operational stability and health protection for employees and business partners during the pandemic.

**PERFORMANCE CRITERIA FOR THE SHORT-TERM VARIABLE REMUNERATION OF THE MANAGEMENT BOARD MEMBERS** in TEUR  
 FOR FINANCIAL YEAR 2021

Management Board member		Target Achievement			Bonus in EUR thousand		Actually achieved		Bonus in EUR thousand
		Weight	Min.	Max.	Min.	Max.	Target Achievement	Overall Target Achievement	
<b>Peter Podesser</b>	Revenue (budgeted)	25%	0%	125%	-	69	104%		
	Gross profit margin (budgeted)	25%	0%	125%	-	69	101%		
	Adjusted EBITDA (budgeted)	25%	0%	150%	-	69	110%		
	Implementation of strategic objectives Employee retention High quality standards Stable and long-term oriented shareholder base Company stability/health protection during the pandemic							107%	<b>236</b>
<b>Daniel Saxena</b>	Revenue (budgeted)	25%	0%	125%	-	34	104%		
	Gross profit margin (budgeted)	25%	0%	125%	-	34	101%		
	Adjusted EBITDA (budgeted)	25%	0%	125%	-	34	110%		
	Implementation of strategic objectives Employee retention High quality standards Stable and long-term oriented shareholder base Company stability/ Health protection during the pandemic	25%	0%	125%	-	34	114%	107%	<b>118</b>
<b>Hans Pol</b>	Revenue (budgeted)	25%	0%	125%	-	43	104%		
	Gross profit margin (budgeted)	25%	0%	125%	-	43	101%		
	Adjusted EBITDA (budgeted)	25%	0%	125%	-	43	110%		
	Implementation of strategic objectives Employee retention High quality standards Stable and long-term oriented shareholder base Company stability/ Health protection during the pandemic	25%	0%	125%	-	43	114%	107%	<b>149</b>

## Long-Term Variable Remuneration

As a contribution to the sustainable development of the company, a significant portion of the Management Board's remuneration is linked to the long-term performance of SFC shares. Various virtual or physical stock option programs were introduced in the past as long-term variable share-based remuneration, on the basis of which virtual stock options ("Stock Appreciation Rights" or "SARs") or Stock Option Programs ("SOPs") were granted. There were no SARs or SOPs still outstanding (exercisable in the future or exercised in the reporting year) for former Management Board members in the reporting year 2022. By granting SARs or SOPs as a long-term variable remuneration element, the company is pursuing the goal of incentivizing and promoting a business policy that is primarily aligned with the interests of shareholders, namely increasing the value of the share.

## Virtual Stock Option Program (SAR Program)

The company's Supervisory Board implemented a SAR program (SAR Program 2014–2016; Program 1) for the first time at the beginning of financial year 2014, with the aim of aligning the interests of the shareholders with the Management Board. Subsequently, other SAR programs were set up: SAR Program 2015–2018 (Hans Pol Program 2), SAR Program 2017–2019 (Dr. Peter Podesser Program 3), SAR Program 2018–2021 (Hans Pol Program 4), and SAR Program 2020–2024 (Daniel Saxena Program 5). Dr. Peter Podesser was granted virtual stock options (SARs) in 2020 (Dr. Peter Podesser Programme 5) as part of the extension for the next appointment period. This SARs allocation under Program 5 was transferred to a (physical) Share Option Program (Share Option Program 2020–2024) on July 9, 2020, and thus replaced.

Only the SARs programs relevant to the reporting period are described below.

- Dr. Peter Podesser was granted virtual stock options (SARs) in 2017 (Dr. Peter Podesser Program 3) as part of the extension for the next appointment period.
- Hans Pol was granted virtual stock options (SARs) in 2018 as part of the extension of his Management Board employment contract (Hans Pol Program 4).
- Daniel Saxena was granted virtual stock options (SARs) with his appointment in July 2020 (Daniel Saxena Program 5).

The basic principles of the aforementioned SARs programs are the same, with some differences in the programs. Accordingly, a one-time allocation of a certain number of SARs was made for the respective appointment period of the Management Board member, the stock of which can be reduced depending on the expiry of SARs on certain expiry dates. The portfolio of granted and non-expired SARs (at a record date one year after the last expiration date) is composed of equalized sub-tranches for the years of Management Board service for which the grant was made. Starting from the grant date of the respective SARs tranche, a waiting period begins that varies in terms of length for the individual sub-tranches, with a waiting period of four years starting from the grant date always applying to the first sub-tranche and an extended waiting period applying to the respective further partial tranches. After expiration of the defined waiting period for the respective sub-tranche, the SARs of the sub-tranche may be exercised in an exercise period of one year after expiration of the relevant waiting period of the sub-tranche (subject to certain blackout periods) as long as they have not previously expired on the relevant defined expiry dates. The expiration of SARs on the specified expiration dates is based on the average stock exchange price of the company's shares during the last 30 days of trading prior to the relevant expiration date (expiration date price). A certain fixed number of SARs expire depending on the average stock price achieved; no SARs expire if the fixed average stock price target is reached or exceeded before the respective expiration date. After expiration of the waiting period and subject to forfeiture on the expiration dates, a certain number of SARs may be exercised within the exercise period. The number of exercisable SARs depends on the average stock exchange price of the company's share on the last 30 days of trading before the day of exercise (the so-called reference price). For this purpose, certain reference price ranges are defined in the individual SARs programs, which specify a certain maximum number of exercisable SARs. The exercise of the SARs gives rise to an entitlement to cash settlement, which is calculated as follows: (reference price – exercise price) x number of exercisable SARs.

The Hans Pol Program 4 additionally stipulate as a prerequisite for the exercisability of SARs that another specific performance target must be achieved prior to the expiration of the respective waiting period: the average stock market price of the company's share on the last 30 days of trading before expiration of the waiting period exceeds the average stock exchange price of the company's shares on the last 30 trading days prior to the issue date.

The exercise price is EUR 1.00 per SAR. The number of SARs granted (and not yet for-feited or already exercised in previous years) as well as the SARs forfeited and exercised in the reporting year 2022 are shown in the following table (taking Section 162 (1) sentence 2 no. 3 AktG into account):

### SARs GRANTED

as of 12/31/2022 for acting Management Board members

	Peter Podesser	Daniel Saxena	Hans Pol
	Program 3	Program 5	Program 4
Grant date:	04/01/2017	07/01/2020	07/01/2018
Number of Stock Appreciation Rights (SARs)	360,000	228,000	180,000
Maximum term (years)	5	8	7
Number of sub-tranches <sup>1</sup>	3	4	3
Performance period:	04/01/2017 03/31/2020	07/01/2020 06/30/2024	07/01/2018 06/30/2021
Expiry of the waiting period <sup>2</sup>			
Tranche 1	04/01/2021	07/01/2024	07/01/2022
Tranche 2	09/01/2021	07/01/2025	07/01/2023
Tranche 3	02/01/2022	07/01/2026	07/01/2024
Tranche 4	-	07/01/2027	-
Performance targets <sup>3</sup>	-	-	EUR 8.65
Exercise price:	EUR 1.00	EUR 1.00	EUR 1.00
SARs outstanding as of January 1, 2022	146,667	228,000	125,000
SARs expired in the reporting period	-	-	-
SARs exercised in the reporting period	146,667	-	35,000
SARs outstanding as of December 31, 2022	-	228,000	90,00

<sup>1</sup> Number of annual tranches into which the allocated SARs are divided equally

<sup>2</sup> Exercise period is one year for each sub-tranche

<sup>3</sup> The Hans Pol Program 4 additionally stipulates as a prerequisite for the exercisability of SARs that another specific performance target must be achieved prior to the expiration of the relevant waiting period: the average stock market price on the last 30 trading days prior to the expiry of the waiting period exceeds the average market price of the company's share on the last 30 trading days prior to the allocation date.

The remuneration granted or owed in reporting year 2022 (Table "Management Board remuneration granted in financial year 2022") only includes the amounts from SARs that led to a pay out in 2022 due to them being exercised.

The performance criteria that led to a pay out or amounts owed from an exercise from SAR tranches in the reporting year 2022 are shown in the table below:

## SARs PROGRAM

	Tranche	No. of SARs	Expiration Date				End of waiting period	Exercise				
			Date	Price <sup>1</sup>	SARs			Exercisable <sup>3</sup>	Date	Price <sup>2</sup>	SARs	Cash equal
					Expira-tion	Remain-der						
<b>Peter Podesser Progr. 2017-2019</b>	Complete program	360,000			140,000	220,000						
	Tranche 1 (PP3.1)	120,000	04/01/18	7.92	60,000	60,000	04/01/21	73,333	Jun 21	24.25	60,000	1,395,000
									Jun 21	24.25	13,333	309,992
									Jan 22	25.01	36,667	880,191
	Tranche 2 (PP3.2)	120,000	04/01/19	10.25	40,000	80,000	09/01/21	73,333	Aug 22	22.36	36,666	783,168
	Tranche 3 (PP3.3)	120,000	04/01/20	10.12	40,000	80,000	02/01/22	73,334	Dez 22	22.82	73,334	1,599,903
<b>Hans Pol Progr. 2018-2021</b>	Complete program	180,000			55,000	125,000						
	Tranche 1 (HP 4.1)	60,000	07/01/19	13.86	25,000	35,000	07/01/22	41,667	Dez 22	22.82	35,000	763,583
	Tranche 2 (HP 4.2)	60,000	07/01/20	12.64	30,000	30,000	07/01/23	41,667	-	-	-	-
	Tranche 3 (HP 4.3)	60,000	07/01/21	26.21	0	60,000	07/0124	41,667	-	-	-	-

<sup>1</sup> Average market price of SFC shares on the last 30 trading days prior to the relevant expiration date for the respective sub-tranche.

<sup>2</sup> Average stock market price of SFC shares on the last 30 trading days prior to the exercise date relevant for the respective sub-tranche

<sup>3</sup> One-third of the SARs held at the balance sheet date may be exercised after expiry of the relevant waiting period.

If the reference price does not reach at least EUR 11.50 at the time of exercise of the respective SAR sub-tranche of the Peter Podesser 3 Program, only a share of the SARs may be exercised in accordance with the reference price.

If the reference price does not reach at least EUR 16.50 at the time of exercise of the respective SAR sub-tranche of the Hans Pol 4 Program, only a share of the SARs may be exercised in accordance with the reference price. Furthermore, the exercise of the SARs requires as a performance target that the average stock exchange price of the share exceeds EUR 8.65 on the last 30 days of trading prior to the expiry of the respective waiting period.

## Stock option programs

The Supervisory Board of the company has granted stock options to individual Management Board members under two different stock option programs in the past: to Dr. Podesser under the SOP 2020-2024 and to Hans Pol under the SOP 2021-2025.

Among it, the members of the Management Board received a number of option rights determined by the Supervisory Board for the term of their Management Board service contract, whereby the granting took place in the first year of the contract term.



Option rights may not be exercised by the respective member of the Management Board during periods determined by the Annual General Meeting or during closed periods within the meaning of the regulations on trading prohibitions (Closed Periods) pursuant to the Market Abuse Regulation and the Delegated Acts adopted in this respect.

The option rights each have a maximum term of eight years from the day on which the respective option right arises or is allocated. The waiting period for exercise is staggered according to the tranches issued, so that members of the Management Board can each exercise one quarter of the option rights of the respective tranche (sub-tranche). The waiting period for the exercise of the sub-tranches is four, five, six and seven years, respectively, starting on the issue date of the tranche.

The subscription rights can be exercised within one year after expiry of the waiting period for the respective sub-tranche) (drawing period). In accordance with the option terms and conditions to be determined, each option right confers the entitlement to subscribe to one no-par value bearer share (no-par value share) of the company. The exercise price under the new stock option program in accordance with the Management Board remuneration system corresponds to the average stock market price of the company's shares on the last 30 days of trading prior to the issue date, while under the program for Dr. Peter Podesser (2020-2024) the exercise price is EUR 1.

Members of the Management Board may only exercise the subscription rights granted to them in the drawing period to the full extent of the respective partial tranche if the average stock market price of the shares of the company on the last 30 days of trading before the cut-off date relevant for the respective partial tranche (cut-off date price) reaches a certain price target in euros. If the closing price does not reach at least the target price, only a portion of the options may be exercised from the sub-tranche in accordance with the closing price, for which the Annual General Meeting has determined a certain number of exercisable subscription rights depending on ranges of the closing price. Apart from that, subscription rights shall expire without compensation or substitution on the relevant effective date.

The exercise of share options is further conditional, in respect of each sub-tranche, on the average stock market price of the company's shares on the last 30 days of trading prior to the day on which the member of the Management Board submits a subscription declaration in respect of granted share options reaching or exceeding specified thresholds. If the reference price does not reach at least the price target, only a portion of the options may be exercised from the sub-tranche in accordance with the reference price, for which the Annual General Meeting has determined a certain number of exercisable subscription rights depending on bandwidths of the reference price. For each additional exercise of option rights of the sub-tranche within the drawing period, the option rights already exercised during the drawing period will be credited against the number of option rights that would be exercisable on the additional exercise date in accordance with the current exercise requirement.

The stock option program ensures that option rights can only be exercised for the respective drawing period if the sum of the number of exercised option rights multiplied by the closing price in XETRA trading on the exercise date of these option rights less the exercise price and the number of option rights to be exercised multiplied by the XETRA closing price on the trading day before the intended day of exercise of the option rights less the exercise price does not exceed an amount of EUR 1 million (cap); This varies from or is lower than the cap of EUR 1.75 million provided for by the Management Board remuneration system.

The stock options granted to Dr. Podesser and Hans Pol are listed in the following table within the meaning of Section 162 para. 1 sentence 2 no. 3 of the German Stock Corporation Act (AktG) (insofar as they have not already lapsed or been exercised). Share options granted in a financial year that grant a direct right to purchase shares are recorded as remuneration granted in the respective financial year of granting in the table "Management Board remuneration granted and owed in the financial year."

No new share options were granted to the members of the Management Board in the reporting period 2022.

## STOCK OPTIONS

	Peter Podesser		Hans Pol	
	Programm 2020		Programm 2021	
Grant date:	09,07,2020		01,03,2021	
Number of SOPs	504,000		500,000	
Maximum term	8 Jahre		8 Jahre	
Number of sub-tranches	4		4	
Performance center	09,07,2020	08,07,2024	01,03,2021	28,02,2025
Expiry / end of the waiting period for the sub-tranches <sup>1</sup>	09,07,2021	09,07,2024	01,03,2022	01,03,2025
	09,07,2022	09,07,2025	01,03,2023	01,03,2026
	09,07,2023	09,07,2026	01,03,2024	01,03,2027
	09,07,2024	09,07,2027	01,03,2025	01,03,2028
Exercise price:	EUR 1.00		EUR 24.41	
SOPs outstanding as of January 1, 2022	504,000		500,000	
SOPs expired in the reporting period	-		125,000	
SOPs exercised in the reporting period	-		-	
SOPs outstanding as of December 31, 2022	504,000		375,000	

<sup>1</sup> Four partial tranches; the subscription rights can be exercised within one year from expiry of the waiting period for the respective sub-tranche

## Promoting the long-term development of the company through remuneration

The remuneration of the Management Board members is intended to further support SFC AG's business strategy and its implementation. In addition, by defining performance criteria that are linked to the long-term and sustainable success of the company and supplementing them with ambitious annual and multi-year targets, a contribution is also being made to the company's long-term targets. Outstanding performance should be rewarded by appropriate remuneration. Performance that falls short of achieving the targets set should result in a noticeable reduction in remuneration. The remuneration system sets incentives that are in line with, and promote, the company strategy.

The short-term variable remuneration (bonus) of the Management Board members for the two financial years 2021 and 2022 is aligned with the economic performance targets of sales, the gross margin and adjusted EBIT-DA (Earnings Before Interest, Taxes, Depreciation and Amortization) and provides for a discretionary element that was aligned with sustainability targets for both financial years. The bonus is intended to motivate Management Board members to achieve ambitious and challenging financial, operational and strategic goals during a

certain financial year. The goals reflect the company strategy and are aimed at increasing the value of the company. The remuneration system gives the Supervisory Board the opportunity to take individual responsibility on the one hand and the performance of the Management Board members as a whole on the other into account.

In order to align the remuneration of Management Board members with the long-term development of SFC Energy AG, long-term variable share-based remuneration accounts for a significant share of their total remuneration. Long-term variable remuneration is granted on the basis of (under the new Management Board remuneration system physical) stock options with a four-year performance period. The economic performance target relates to the performance of the SFC Energy AG share price during the performance and exercise period. The company value and the value for shareholders is increased in the long term by setting ambitious targets that are linked to share price performance.

### Compliance with the maximum remuneration pursuant to Section 162 (1) sentence 2 no. 7 AktG

Pursuant to Section 87a (1) sentence 2 no. 1 AktG, the Supervisory Board has set maximum remuneration including fringe benefits for the members of the Management Board in the new remuneration system. The maximum remuneration for a financial year was set as follows:

- Maximum remuneration pursuant to Section 87a para. 1 sentence 2 no. 1 AktG for the Chairman of the Management Board: EUR 2.5 million
- Maximum remuneration pursuant to Section 87a (1) sentence 2 no. 1 AktG for ordinary members of the Management Board: EUR 1.5 million

The maximum remuneration of the Management Board remuneration system as approved by the Annual General Meeting in 2021 refers to the sum of all payments resulting from the remuneration arrangements for one financial year.

Given that the remuneration from Hans Pol's stock option rights for financial year 2022 cannot be determined until they have been exercised, it is not yet possible to provide a conclusive report on compliance with the maximum remuneration cap.

Compliance with the maximum remuneration for Mr. Pol in financial year 2022 is expected to be ensured by the individual caps of his variable remuneration components for the 2022 reporting year that apply in principle (maximum target achievement of 125% for the performance-related bonus, i.e. a maximum of EUR 187,500 and the basic exercise cap per sub-tranche under the 2021-2025 stock option program of EUR 1 million).

In all other cases, the agreements were entered into under the legacy system, which did not have a maximum remuneration cap within the meaning of Section 87a (1)2 (1) AktG.

### Commitments in the event of premature termination of a Management Board member's service

In the event of premature termination of Management Board activities without good cause, any payments to be agreed with the Management Board members, including fringe benefits, are not to exceed the value of one year's remuneration (severance pay cap) and may not exceed the value of the remuneration for the remaining

term of the Management Board employment contract. For the calculation of the severance pay cap, the total remuneration of the past financial year and, if applicable, also the expected total remuneration for the current financial year are to be taken into account.

If the employment contract ends due to extraordinary termination by the company, the members of the Management Board are not entitled to continued payment of the variable remuneration (“performance-related bonus”).

In the event that Management Board members should die during the term of their service agreement, their widow(er) and children, provided they have not attained the age of 25 years and are still in vocational training, shall have a claim, as joint and several to continued payment of the basic monthly remuneration for the month of death and the six following months.

If Management Board members become permanently incapacitated for work during the term of their service agreement, the respective service agreement shall end at the end of the quarter in which the permanent incapacity has been established, at the earliest after expiry of the remuneration continuation period (duration of the current and the following six months, at the longest until termination of the employment contract), at the latest upon expiry of the term of office of the Management Board member.

#### Dr. Peter Podesser

The option rights from the stock option program 2020-2024 expire in the event of extraordinary termination by the company (exceptions: Withdrawal of confidence by the Annual General Meeting or the loss of confidence by the Supervisory Board) or for extraordinary termination by Dr. Podesser prior to the expiry date for which the company is not responsible. In the event of a departure from the company for any other reason, the option rights expire on a pro rata basis calculated over the entire contractual term of 48 months (e.g.: departure after 24 months results in the expiry of 50% of the option rights held).

The SARs from the Dr. Peter Podesser Program 3 expire without replacement in the event of extraordinary termination by the company (exception: Withdrawal of confidence by the Annual General Meeting or the loss of confidence by the Supervisory Board) or in the event of extraordinary termination by Dr. Podesser before April 1, 2020, for which the company is not responsible. In the event of a departure from the company for any other reason, the SARs expire on a pro rata basis calculated over the entire contractual term of 36 months (e.g. departure after 18 months results in the expiry of 50% of the SARs held at the time of departure).

In the event of a change of control occurring by September 30, 2023 (understood as the acquisition of the majority of voting rights in the company by a third party), Dr. Podesser may only exercise his right of termination for cause at the request of the company’s Supervisory Board and/or the acquirer of the majority of control by observing a notice period of six months from the date on which the change of control legally occurs. In principle, Dr. Podesser has a maximum claim to payment of the value of the remuneration for the remaining term of the Management Board employment contract at the time of departure in the event of premature termination of his Management Board activities due to a change of control up until September 30, 2023. In the event of a change of control after September 30, 2023, however, Dr. Podesser’s extraordinary right of termination in the event of a change of control is excluded; no severance pay will be granted.

In the event of the acquisition of a controlling interest in the company within the meaning of Section 29 para. 2

WpÜG and the exercise by Dr. Podesser of the extraordinary right to termination provided for in this case, the option rights from the Stock Option Program 2020-2024 which had not yet expired at the time of the submission of the takeover offer shall be paid out as cash compensation at the time of the legal termination of the employment contract as follows (number of option rights to be paid out x (reference price – exercise price)), whereby in this case the reference price corresponds to the offer price within the meaning of Section 31 para. 1 WpÜG. No maximum amount applies with regard to the cash settlement.

In the event of an acquisition of control over the company and the exercise of the right to termination for cause provided for in this case by Dr. Podesser, the SARs under the Dr. Podesser Program 3 that have not yet expired at the time of submission of the takeover offer shall be paid out as follows at the time of the legal termination of the employment contract (number of SARs to be paid out x (reference price – exercise price)), whereby, in this case, the reference price corresponds to the offer price within the meaning of Section 31 para. 1 WpÜG.

For the existing defined contribution benefit commitment in favor of Dr. Podesser, the pension entitlement is maintained in the amount of the benefit that can be financed from the part of the fund assets of the provident fund set up for him if Dr. Podesser leaves the company's service before the insured event occurs. If Dr. Podesser becomes unable to work before a pension claim occurs and the inability to work lasts until his death or a pension claim occurs, the pension entitlements are retained in full. In the event that the occupational incapacity ceases to exist, this date shall be deemed to be the departure date.

#### Hans Pol

The option rights from the Stock Option Program 2021-2025 expire without substitution in the event of extraordinary termination by the company (exceptions: Exceptions: Withdrawal of confidence by the Annual General Meeting or loss of confidence by the Supervisory Board) as well as extraordinary termination by Hans Pol prior to the expiry date, for which the company is not responsible. In the event of a departure from the company for any other reason, the option rights expire on a pro rata basis calculated over the entire contractual term of 48 months (e.g.: departure after 24 months results in the expiry of 50% of the option rights held).

The SARs from the Hans Pol Program 4 expire without replacement in the event of extraordinary termination by the company (exceptions: withdrawal of confidence by the Annual General Meeting) and extraordinary termination by Hans Pol before June 30, 2021, for which the company is not responsible. In the event of a departure from the company for any other reason, the SARs expire on a pro rata basis calculated over the entire contractual term of 36 months (e.g. departure after 18 months results in the expiry of 50% of the SARs held at the time of departure).

In the event of an acquisition of control of the company within the meaning of Section 29 (2) WpÜG, Mr. Pol is entitled to terminate the employment contract within three months of the legal occurrence of the change of control by observing a notice period of twelve months.

In the event of an acquisition of control of the company within the meaning of Section 29 para. 2 WpÜG and the exercise by Mr. Pol of his extraordinary right to termination provided for in this case, the option rights under the Stock Option Program 2021-2025 which had not yet expired at the time of the submission of the takeover offer shall be paid out as cash compensation at the time of the legal termination of the employment agreement, in which case the reference price shall correspond to the offer price within the meaning of Section 31 para. 1 WpÜG or the value calculated in accordance with Section 7 WpÜG Offer Ordinance, of the offeror's shares which may have been offered as optional consideration and which are not admitted to trading on an organized market within the meaning of Section 2 para. 7 WpÜG

but only outside the EEA, or a combination of both values. No maximum amount applies with regard to a cash settlement. In the event of an acquisition of control over the company within the meaning of Section 29(2) WpÜG and of Mr. Pol exercising his special right of termination provided for in such case, the SARs under the Hans Pol Program 4 that have not yet expired are to be paid out as follows at the time of the legal termination of the employment contract: (number of SARs to be paid out x (reference price – exercise price)). In such case, the reference price corresponds to the higher value of either (i) the offer price within the meaning of Section 31(1) WpÜG or (ii) the amount calculated pursuant to Section 7 WpÜG Offer Ordinance of the bidder's shares possibly offered as optional consideration and which are not admitted to trading on an organized market within the meaning of Section 2 para. 7 WpÜG but only outside the EEA. In the event of acquisition of control after termination of the service relationship, the same rules and principles for payment shall apply, with the exception that payment is to be made immediately upon acquisition of control.

#### Daniel Saxena

The SARs from the Daniel Saxena Program 5 expire in the event of extraordinary termination by the company (exceptions: a vote of no confidence by the Annual General Meeting or by the Supervisory Board) or in the event of an extraordinary termination by Mr. Saxena before July 1, 2024, for which the company is not responsible. In the event of a departure from the company for any other reason, the SARs expire on a pro rata basis calculated over the entire contractual term of 48 months (e.g.: departure after 24 months results in the expiry of 50% of the SARs held at the time of departure).

In the event of a change of control (understood as the acquisition of the majority of voting rights in the company by a third party) occurring by September 30, 2023, Mr. Saxena may only exercise his right to termination for cause at the request of the company's Supervisory Board and/or the acquirer of the majority of control by observing a notice period of twelve months from the date on which the change of control legally occurs. In the event of premature termination of his Management Board activities due to a change of control, Mr. Saxena is in principle entitled to a maximum payment of the value of two years' remuneration until September 30, 2023, which may not exceed the value of the remuneration for the remaining term of the Management Board employment contract. In the event of a change of control after September 30, 2023, however, Mr. Saxena's extraordinary right of termination in the event of a change of control is excluded; no severance pay is to be granted.

In the event of the acquisition of a controlling interest in the company within the meaning of Section 29 para. 2 WpÜG and the exercise by Mr. Saxena of his extraordinary termination right provided for in this case, the SARs from the Daniel Saxena Program 5 which had not yet expired at the time of the submission of the takeover offer are to be paid out as cash compensation at the time of the legal termination of the employment contract as follows (number of SARs to be paid out x (reference price – exercise price)), whereby, in this case, the reference price corresponds to the offer price within the meaning of Section 31 para. 1 WpÜG or the value calculated in accordance with Section 7 WpÜG Offer Ordinance, of the offeror's shares which may have been offered as optional consideration and which are not admitted to trading on an organized market within the meaning of Section 2 para. 7 WpÜG but only outside the EEA, or a combination of both. No maximum amount applies with regard to a cash settlement.

#### Commitments in the event of regular termination of a Management Board member's service

As described above, Dr. Podesser has a defined contribution plan via a provident fund. In the event of a pension claim, the provident fund shall pay the agreed pension benefits to Dr. Podesser. The company allocates the required funds of EUR 10,000 p.a. to the provident fund (see also below in the table Management Board remuneration granted and owed in financial year 2022).

No further benefit commitments have been made in the event of the regular termination of a member of the Management Board (within the meaning of Section 162 para. 2 nos. 2 and 3 AktG).

### Commitments and grants to Management Board members who left in the reporting year

No Management Board members terminated their service in the reporting year.

### Payments from third parties

In the reporting period, no benefits were promised or granted to any member of the Management Board by a third party with regard to the activity as a member of the Management Board.

### Malus and clawback provisions for short-term variable remuneration (bonus)

Both under the existing remuneration system and on the basis of the remuneration system adopted in 2021, the Supervisory Board has the option of withholding or reclaiming the short-term variable remuneration (bonus) at its reasonable discretion if a member of the Management Board seriously and intentionally violates the duties of care under Section 93 of the German Stock Corporation Act (AktG), an obligation under the Management Board employment contract, or another material principle of the company's conduct, e.g. under the compliance guidelines.

In exercising its reasonable discretion, the Supervisory Board shall, after careful investigation of the facts, take the seriousness of the violation, the degree of culpability of the member of the Management Board and the material and immaterial damage into consideration. Before making its decision, the Supervisory Board of the company shall offer the member of the Management Board the opportunity to comment within a reasonable period of time. The timing of the repayment is to be determined by the Supervisory Board of the company after consulting with the member of the Management Board, with an appropriate term and, if necessary, partial payments, taking any existing cases of hardship into account. Recovery of remuneration already paid is not permitted if the infringement in question occurred more than five years ago. In cases of continuous infringements, the end of the continuous infringements shall be decisive. Claims for damages against the Management Board member remain unaffected.

In the reporting year 2022, no variable remuneration components were reclaimed from Management Board members due to the fact that the aforementioned prerequisites for a clawback were not met.

### Deviations from the remuneration system

In the reporting year 2022, the remuneration system approved by the Annual General Meeting 2021 did not yet apply to the Management Board members Dr. Podesser and Daniel Saxena, therefore there were no deviations to report. Mr Pol's remuneration for financial year 2022 granted in the year under review was in accordance with the remuneration system.

## Individualized Management Board remuneration in the reporting year 2022

The remuneration granted/owed in the reporting year 2022 includes the annual fixed remuneration granted in the reporting year, the value of fringe benefits granted in the reporting year, the short-term variable remuneration granted in the reporting year, as well as the long-term variable remuneration in the form of pay out amounts granted in 2022 from the SARs programs and the fair market value of the options granted in the reporting year from the stock option program. This sum includes all compensation benefits granted (i.e. paid out) and owed in 2022. The remuneration components or other benefits actually received in the reporting period are considered to have been granted; Remuneration components that are legally due but not yet paid are understood as owed.

### GRANTED AND OWED MANAGEMENT BOARD REMUNERATION FOR THE FINANCIAL YEARS 2021 AND 2022 in EUR

Management Board member in office on 12/31/2022		Peter Podesser Chairman of Management Board since 01/11/2006			
		2022	in % TR	2021	in % TR
<b>Fixed</b>	Basic remuneration	370,000	9.5%	370,000	16.5%
	+ Fringe benefits	14,490	0.4%	14,113	0.6%
	+ Contribution provident fund <sup>1</sup>	10,000	0.3%	10,000	0.4%
	<b>Total<sup>5</sup></b>	<b>394,490</b>	<b>10.1%</b>	<b>394,113</b>	<b>17.6%</b>
<b>Variable</b>	<b>+ Short-term variable</b>				
	Bonus <sup>2</sup>	236,305	6.1%	138,042	6.2%
	<b>+ Long-term variable</b>				
	SARs granted ("SARS") <sup>3</sup>	1,663,352	42.7%	1,704,992	76.2%
	SARs owed <sup>7</sup>	1,599,903	41.1%	-	0.0%
	Stock options ("SOP") <sup>4</sup>	0	0.0%	-	0.0%
<b>Total<sup>5</sup></b>	<b>3,499,560</b>	<b>89.9%</b>	<b>1,843,034</b>	<b>82.4%</b>	
<b>Total</b>	<b>= Total remuneration ("TR")</b>	<b>3,894,050</b>	<b>100.0%</b>	<b>2,237,147</b>	<b>100.0%</b>

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### GRANTED AND OWED MANAGEMENT BOARD REMUNERATION FOR THE FINANCIAL YEARS 2021 AND 2022 in EUR

Management Board Member in office on 12/31/2022		Daniel Saxena Management Board member since 07/01/2020			
		2021	in % TR	2021	in % TR
<b>Fixed</b>	Basic remuneration	240,000	62.8%	240,000	75.2%
	+ Fringe benefits	24,000	6.3%	24,000	7.5%
	+ Contribution provident fund <sup>1</sup>	-	0.0%	-	0.0%
	<b>Total<sup>5</sup></b>	<b>264,000</b>	<b>69.1%</b>	<b>264,000</b>	<b>82.8%</b>
<b>Variable</b>	<b>+ Short-term variable</b>				
	Bonus <sup>2</sup>	118,153	30.9%	55,000	17.2%
	<b>+ Long-term variable</b>				
	SARs granted ("SARS") <sup>3</sup>	-	0.0%	-	0.0%
	SARs owed <sup>7</sup>	-	0.0%	-	0.0%
	Stock options ("SOP") <sup>4</sup>	-	0.0%	-	0.0%
<b>Total<sup>6</sup></b>	<b>118,153</b>	<b>30.9%</b>	<b>55,000</b>	<b>17.2%</b>	
<b>Total</b>	<b>= Total Remuneration ("TR")</b>	<b>382,153</b>	<b>100.0%</b>	<b>319,000</b>	<b>100.0%</b>



**GRANTED AND OWED MANAGEMENT BOARD REMUNERATION FOR THE FINANCIAL YEARS 2021 AND 2022** in EUR

Management Board member in office on 12/31/2022		Hans Pol Management Board member since 01/01/2014			
		2022	in % TR	2021	in % TR
<b>Fixed</b>	Basic remuneration	249,996	21.0%	241,663	22.1%
	+ Fringe benefits <sup>1</sup>	27,970	2.4%	30,174	2.8%
	+ Contribution provident fund <sup>1</sup>	0	0.0%	0	0.0%
	<b>Total<sup>5</sup></b>	<b>277,966</b>	<b>23.4%</b>	<b>271,837</b>	<b>24.9%</b>
<b>Variable</b>	<b>+ Short-term variable</b>				
	Bonus <sup>2</sup>	148,586	12.5%	50,197	4.6%
	<b>+ Long-term variable</b>				
	SARs granted ("SARs") <sup>3</sup>	-	0.0%	600,033	55.0%
	SARs owed <sup>7</sup>	763,583	64.2%		
	Stock options ("SOP") <sup>4</sup>	-	0.0%	169,555	15.5%
<b>Total<sup>6</sup></b>	<b>912,169</b>	<b>76.6%</b>	<b>819,785</b>	<b>75.1%</b>	
<b>Total</b>	<b>= Total Remuneration ("TR")</b>	<b>1,190,135</b>	<b>100.0%</b>	<b>1,091,622</b>	<b>100.0%</b>

1 Administrative expenses and the PSV contribution are not included here, as they constitute obligations of the company.

2 The short-term variable remuneration received in the financial year for the respective previous financial year

3 This figure corresponds to the amount received from SARs exercised in the financial year.

4 This figure corresponds to the fair market value for option rights granted in the financial year to subscribe to ordinary shares in the company ("Stock Option Program" or "SOP"). This corresponds to the value of the total option rights allocated.

5 These disclosures represent the total fixed remuneration granted and owed.

6 This information represents the total variable remuneration granted and owed.

7 This figure corresponds to the amount owed from the SARs exercised in financial year 2022. The exercise took place in December 2022 with the consequence of immediate maturity. However, the corresponding payment and thus the inflow will not be made until 2023. The corresponding amount is no longer reported as granted remuneration in the Remuneration Report for 2023 in order to avoid double reporting.

## Individualized Remuneration of the Supervisory Board

The members of the Supervisory Board receive pure annual fixed remuneration of EUR 25,000 each, whereby the Chairman of the Supervisory Board receives EUR 50,000 and his Deputy EUR 37,500. In the event of changes in the composition of the Supervisory Board during a year, the remuneration is granted pro rata temporis. In addition, annual fixed remuneration amounting to EUR 10,000 is paid to the Chairperson of the Audit Committee, EUR 5,000 is paid to their Deputy, and EUR 2,500 to each member of the Committee.

The maximum annual basic remuneration for the Chairman of the Supervisory Board is limited to EUR 50,000 and to EUR 37,500 for his Deputy. This also covers the expenses for memberships and chairpersonships of committees.

The members of the Supervisory Board are also entitled to reimbursement of the cash expenses incurred in the performance of their Supervisory Board duties, including the value added tax payable on their expenses, as well as to inclusion in the D&O insurance policy taken out by the company for its management bodies.

The remuneration of the Supervisory Board in financial year 2022 is distributed among the individual Supervisory Board members as follows:

<b>REMUNERATION GRANTED AND OWED TO MEMBERS OF THE SUPERVISORY BOARD</b>						in EUR
for the financial years 2021 and 2022						
		Basic compensation		Committee remuneration		Total Compensation
		in EUR	% of GM	in EUR	% of GM	in EUR
<b>Members of the Supervisory Board</b>						
<b>Hubertus Krossa</b> (since 05/2014, Chairman since 05/2021)	2022	50,000	100.0%	-	0.0%	50,000
	2021	45,263	100.0%	-	0.0%	45,263
<b>Henning Gebhardt</b> (since 05/2021, Deputy Chairperson)	2022	37,500	100.0%	-	0.0%	37,500
	2021	23,108	100.0%	-	0.0%	23,108
<b>Gerhard Schempp</b> (since 06/2020)	2022	25,000	83.3%	5,000	16.7%	30,000
	2021	25,000	92.3%	2,083	7.7%	27,083
<b>Sunaina Sinha</b> (since 08/2021)	2022	25,000	100.0%	-	0.0%	25,000
	2021	9,658	100.0%	-	0.0%	9,658
<b>Tim van Delden</b> (until 05/2021, Chairman)	2022	-	0.0%	-	0.0%	-
	2021	20,833	100.0%	-	0.0%	20,833
<b>Total</b>	2022	137,500	96.5%	5,000	3.5%	142,500
	2021	123,861	98.3%	2,083	1.7%	125,945

The remuneration system determined for the Supervisory Board does not provide for any malus or clawback provisions. No variable remuneration components were therefore reclaimed from members of the Supervisory Board in the reporting year 2022.

### Comparative presentation within the meaning of Section 162 para. 1 (2) (2) AktG (vertical comparison)

The following table shows the development over time within the meaning of Section 162 Para. 1 (2) (2) AktG (over the last five financial years) of the remuneration of the Board members compared to the average remuneration of the total workforce of SFC Energy AG in Germany on a full-time equivalent basis. In addition, the development of the earnings of SFC Energy AG and the Group as a whole is presented. The development of earnings is shown on the basis of the Group key figures sales and adjusted EBITDA. Given that both are key performance indicators, they are also part of the financial targets for the Management Board's short-term variable remuneration (bonus) and thereby have a significant influence on the amount of remuneration paid to the members of the Management Board. In addition, the development of the annual net profit of SFC AG is presented in accordance with Section 275 para. 3 no. 16 HGB.

For the members of the Management Board and the Supervisory Board, the comparison is based on the remuneration granted and owed in the respective financial year within the meaning of Section 162 (1) sentence 1 AktG.

The presentation of average employee remuneration is based on the total workforce of SFC AG in Germany. The average remuneration of employees includes personnel expenses for wages and salaries, as well as fringe be-

nefits, employer contributions to social security and the short-term variable remuneration components attributable to the respective financial year. Furthermore, for remuneration in connection with share plans, the amounts accrued in the financial year are taken into account. As such, the remuneration of employees is in line with the definition of remuneration granted and remuneration owed, as is the case with the remuneration of the Management Board and the Supervisory Board.

**5-YEAR REVIEW IN COMPARISON (PURSUANT TO SECTION 162 PARA 1 (2) NO. 2 AKTG)**

in EUR thousand

Financial year	2018	2019	Change	2020	Change	2021	Change	2022	Change
<b>Development of earnings</b>									
AG net earnings for the year (HGB)	-1,892	-7,814	n/m	-8,418	-8%	-6,636	21%	-3,399	-49%
Group sales revenue	61,704	58,538	-5%	53,223	-9%	64,320	21%	85,229	33%
Group adj. EBITDA	3,705	3,614	-2%	2,936	-19%	6,233	112%	8,150	n/a
Group profit for the period	-1	-1,927	n/m	-5,184	-169%	-5,829	-12%	2,020	n/a
Group equity	18,204	40,260	121%	54,838	36%	50,019	-9%	103,437	107%
<b>Average employee remuneration</b>									
SFC AG employees	-	-	-	64	n/a	65	2%	68	4%
<b>Management Board remuneration</b>									
Dr. Peter Podesser	543	697	28%	524	-25%	2,237	327%	3,894	74%
Hans Pol	271	369	36%	277	-25%	1,092	294%	1,190	9%
Daniel Saxena	-	-	-	132	n/a	319	142%	382	20%
<b>Former members of the Management Board</b>									
Markus Binder 03/01/2014 – 02/28/2020	259	269	4%	33	-88%	0	n/m	0	n/m
<b>Supervisory Board remuneration</b>									
Hubertus Krossa (since 05/2014, Chair- man since 05/2021)	25	26	3%	38	48%	45	19%	50	10%
Henning Gebhardt (since 05/2021, Deputy Chairman)	0	0	-	0	-	23	-	38	62%
Gerhard Schempp (since 06/2020)	0	0	-	15	-	27	86%	30	11%
Sunaina Sinha (since 08/2021)	0	0	-	0	-	10	n/m	25	159%
<b>Former members of the Supervisory Board</b>									
Tim van Delden	50	50	0.0%	50	0.0%	21	-58%	0	n/m
David Morgan	38	39	3%	0	n/m	0	-	0	-

## Approval by the Annual General Meeting

The Remuneration Report will be submitted to the 2023 Annual General Meeting for approval (Section 120a para. 4 AktG).

Based on the approval of the 2021 Remuneration Report by the Annual General Meeting, with an 80% approval rate, the company feels that there is no reason to question the basic approach in connection with the remuneration of the Management Board and Supervisory Board and to change how it is reported on.